

**FINANCIAL INDUSTRY REGULATORY AUTHORITY  
OFFICE OF HEARING OFFICERS**

Department of Enforcement,

Complainant,

v.

William D. Bucci  
CRD No. 114019

Respondent.

Disciplinary Proceeding  
No. 2012032571701

Hearing Officer: Andrew Perkins

**ORDER ACCEPTING OFFER OF  
SETTLEMENT**

Date: September 24, 2013

**INTRODUCTION**

Disciplinary Proceeding No. 2012032571701 was filed on August 5, 2013, by the Department of Enforcement of the Financial Industry Regulatory Authority (FINRA) (Complainant). Respondent William D. Bucci submitted an Offer of Settlement (Offer) to Complainant dated September 19, 2013. Pursuant to FINRA Rule 9270(e), the Complainant and the National Adjudicatory Council (NAC), a Review Subcommittee of the NAC, or the Office of Disciplinary Affairs (ODA) have accepted the uncontested Offer. Accordingly, this Order now is issued pursuant to FINRA Rule 9270(e)(3). The findings, conclusions and sanctions set forth in this Order are those stated in the Offer as accepted by the Complainant and approved by the NAC.

Under the terms of the Offer, Respondent has consented, without admitting or denying the allegations of the Complaint, and solely for the purposes of this proceeding and any other proceeding brought by or on behalf of FINRA, or to which FINRA is a party, to the entry of

findings and violations consistent with the allegations of the Complaint, and to the imposition of the sanctions set forth below, and fully understands that this Order will become part of Respondent's permanent disciplinary record and may be considered in any future actions brought by FINRA.

### **BACKGROUND**

Bucci has been licensed as a General Securities Representative (Series 7) since 1983. Prior to registering with Ryan Beck & Co. ("Ryan Beck") on April 27, 2002, he was registered with five other broker-dealers. Bucci remained with Ryan Beck until his termination on April 16, 2007. Bucci was registered with Oppenheimer & Co. ("Oppenheimer") from April 16, 2007 until his termination on August 5, 2011. He was registered with Financial Network Investment Corp. ("FNIC") from August 11, 2011 until his termination on April 20, 2012.

Bucci has not been registered or associated with any FINRA member since the termination of his registration on April 20, 2012. Although Respondent is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the effective date of termination of Respondent's registration with FNIC, namely, May 14, 2013, and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member and with failing to respond to FINRA requests for information during the two-year period after the date upon which he ceased to be registered or associated with a FINRA member.

## **FINDINGS AND CONCLUSIONS**

It has been determined that the Offer be accepted and that findings be made as follows:

### **SUMMARY**

1. Respondent William D. Bucci, while registered at two FINRA members, accepted 19 personal loans totaling \$635,000 from nine customers in violation of NASD Rules 2370<sup>1</sup> and 2110<sup>2</sup> and FINRA Rules 3240 and 2010. Bucci also willfully failed to amend his Form U4 to disclose material facts relating to two judgments that were entered against him in violation of FINRA Rules 1122 and 2010. Finally, Bucci failed to comply with FINRA's document and information requests sent pursuant to FINRA Rule 8210 in violation of FINRA Rules 8210 and 2010.

### **RESPONDENT AND JURISDICTION**

2. Bucci has been licensed as a General Securities Representative (Series 7) since 1983. Prior to registering with Ryan Beck & Co. ("Ryan Beck") on April 27, 2002, he was registered with five other broker-dealers. Bucci remained with Ryan Beck until his termination on April 16, 2007. Bucci was registered with Oppenheimer & Co. ("Oppenheimer") from April 16, 2007 until his termination on August 5, 2011. He was registered with Financial Network Investment Corp. ("FNIC") from August 11, 2011 until his termination on April 20, 2012.

3. Bucci has not been registered or associated with any FINRA member since the termination of his registration on April 20, 2012. Although Respondent is no longer registered or associated with a FINRA member, he remains subject to FINRA's jurisdiction for purposes of

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<sup>1</sup> NASD Rule 2370 was superseded by FINRA Rule 3240 effective June 14, 2010.

<sup>2</sup> NASD Rule 2110 was superseded by FINRA Rule 2010 effective December 15, 2008.

this proceeding, pursuant to Article V, Section 4 of FINRA's By-Laws, because (1) the Complaint was filed within two years after the effective date of termination of Respondent's registration with FNIC, namely, May 14, 2013, and (2) the Complaint charges him with misconduct committed while he was registered or associated with a FINRA member and with failing to respond to FINRA requests for information during the two-year period after the date upon which he ceased to be registered or associated with a FINRA member.

FIRST CAUSE OF ACTION  
(Borrowing from Customers)  
(NASD Rules 2370 and 2110 and FINRA Rules 3240 and 2010)

4. Between May 2004 and December 2010, Bucci accepted 19 personal loans from nine brokerage customers totaling \$635,000. All of the personal loans paid annual interest of at least 10 percent and had initial terms of one to five years.

5. From May 2004 to October 2008, Bucci borrowed \$425,000 in ten loan transactions from AD and GD, an elderly, retired couple. At all relevant times, AD and GD were customers of Bucci at Ryan Beck or Oppenheimer. None of the elderly couple's loans have been repaid.

6. AD and GD loaned Bucci a portion of the \$425,000 by withdrawing money from their brokerage accounts and securing a second mortgage on their home. Specifically, between October 2007 and October 2008, Bucci assisted AD and GD with withdrawing \$139,867 from their two Oppenheimer brokerage accounts. AD and GD loaned all of these funds to Bucci.

7. Also, in September 2008, upon the advice of Bucci, AD and GD obtained a second mortgage on their home in the amount of \$50,000 and loaned the entire amount to Bucci.

8. Bucci borrowed the remaining \$210,000 from customers in the following nine loan transactions:

| <b>Date</b> | <b>Customer Name</b> | <b>Loan Amount</b> |
|-------------|----------------------|--------------------|
| 8/25/2004   | CM and RM            | \$ 4,000           |
| 10/15/2007  | MM                   | \$ 20,000          |
| 4/12/2008   | CM and RM            | \$ 6,000           |
| 9/8/2008    | GRD and PKD          | \$ 35,000          |
| 10/1/2008   | MM                   | \$ 40,000          |
| 11/4/2009   | MM                   | \$ 50,000          |
| 1/1/2010    | BFC                  | \$ 20,000          |
| 9/14/2010   | BFC                  | \$ 25,000          |
| 12/3/2010   | JB                   | \$ 10,000          |

9. Ryan Beck's and Oppenheimer's policies and procedures prohibited registered representatives from borrowing money from customers unless the customer was an immediate family member. Oppenheimer's policies also required that a registered representative obtain approval in writing from the firm's compliance department before borrowing from a customer. None of the customers from whom Bucci accepted personal loans were immediate family members. Moreover, Bucci's borrowing activities were neither disclosed to nor approved by Oppenheimer.

10. By virtue of the foregoing conduct, Bucci violated NASD Rules 2370 and 2110 and FINRA Rules 3240 and 2010.

SECOND CAUSE OF ACTION  
(Willful Failure to Amend Form U4)  
(Article V, Section 2(c) of FINRA's By-Laws, and FINRA Rules 1122 and 2010)

11. Article V, Section 2(c) of the FINRA By-Laws requires that "[e]very application for registration filed with [FINRA] shall be kept current at all times by supplementary amendments" and that "[s]uch amendment to the application shall be filed with [FINRA] not later than 30 days after learning of the facts or circumstances giving rise to the amendment."

12. FINRA Rule 1122 prohibits filing with FINRA information regarding registration "which is incomplete or inaccurate so as to be misleading, or which could in any way tend to mislead, or fail to correct such filing after notice thereof."

13. On or about September 16, 2011, Beneficial Mutual Savings Bank obtained a judgment against Bucci in the amount of \$504,733.79. On or about September 20, 2011, Bucci received notice of the judgment and execution via certified mail, return receipt requested. Bucci personally signed for the certified mail package.

14. On or about March 16, 2012, First Cornerstone Bank obtained a judgment against Bucci in the amount of \$353,426.20. On or about March 22, 2012, Bucci received notice of the judgment and execution via certified mail, return receipt requested. Bucci personally signed for the certified mail package.

15. Both of these judgments remain unsatisfied. Respondent was aware of the Beneficial Mutual Savings Bank and First Cornerstone Bank judgments by at least September 20, 2011 and March 22, 2012, respectively.

16. Bucci never amended his Form U4 to disclose the existence of these unsatisfied judgments, specifically Question No. 14M, which asks, "Do you have any unsatisfied judgments or liens against you?"

17. On March 9, 2012 and again on May 9, 2012, FNIC filed an Amended Form U4 on Bucci's behalf. In each instance, the Form U4 indicated "No" in response to question 14M inquiring about the existence of unsatisfied judgments or liens against him.

18. The existence of the unsatisfied judgments was a material fact.

19. Bucci's failure to file and amend his Form U4 to disclose the unsatisfied judgments in response to Question 14M U4 was willful.

20. The acts, practices and conduct described above were in contravention of Article V, Section 2(c) of FINRA's By-Laws and constitute separate and distinct violations of FINRA Rules 1122 and 2010.

THIRD CAUSE OF ACTION  
(Failure to Provide Documents and Information)  
(FINRA Rules 8210 and 2010)

21. During the course of the Department of Enforcement's ("Enforcement") investigation of Bucci, on December 12, 2012 and January 7, 2013, Enforcement sent Bucci letters, pursuant to FINRA Rule 8210, requesting that he provide certain documents and information relating to personal loans, his bank accounts, and credit card accounts.

22. In accordance with FINRA Rule 8210(d), the December 12 and January 7 request letters were sent to Bucci's residential address as listed in the Central Registration Depository ("CRD address").

23. A copy of the December 12 letter was sent to Bucci via certified mail, return receipt requested and first class mail, and requested, pursuant to FINRA Rule 8210, that he provide documents and information no later than December 28, 2012. The December 12 letter sent via certified mail was returned to Enforcement and marked "unclaimed" by the United States Post Office ("USPS"), but tracking on the USPS website noted that notice was left for Bucci at his CRD address. The December 12 letter sent via first class mail was not returned to Enforcement.

24. A copy of the January 7 letter was sent to Bucci via certified mail, return receipt requested and first class mail, and requested, pursuant to FINRA Rule 8210, that he provide documents and information no later than January 18, 2013. A courtesy copy of the January 7 letter was also sent via electronic mail to Bucci at [REDACTED]. The January 7 letter sent via certified mail was returned to Enforcement and marked "unclaimed" by the USPS, but tracking on the USPS website noted that notice was left for Bucci at his CRD address. The January 7 letter sent via first class mail was not returned to Enforcement.

25. Bucci failed to respond to any of the FINRA Rule 8210 requests for documents and information contained in FINRA's December 12 and January 7 letters.

26. By virtue of the foregoing conduct, Bucci violated FINRA Rules 8210 and 2010.

Based on the foregoing, Respondent violated NASD Rules 2310 and 2110, and FINRA Rules 2010, 3240, and 8210. The Respondent also willfully violated FINRA Rules 1122 and 2010.

Based on these considerations, the sanctions hereby imposed by the acceptance of the Offer are in the public interest, are sufficiently remedial to deter Respondent from any future misconduct, and represent a proper discharge by FINRA, of its regulatory responsibility under the Securities Exchange Act of 1934.

## SANCTION

It is ordered that Respondent be barred from associating with any FINRA member in any capacity. The sanctions imposed herein shall be effective on a date set by FINRA staff.

Pursuant to FINRA Rule 8313(e), a bar or expulsion shall become effective upon approval or acceptance of this Order.

SO ORDERED.

FINRA

Signed on behalf of the  
Director of ODA, by delegated authority

  
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